



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

October 21, 2008

MEMORANDUM

TO: Intermediate and Local District Superintendents, School Business Officials, Public School Academy Directors

FROM: Carol L. Wolenberg *CLW*
Deputy Superintendent

SUBJECT: Cash Advance and Overpayment Recovery – Notice of Change

Over the past few years, the Michigan Department of Education (MDE) has undergone several changes in our Cash Management System (CMS) to bring us more in line with federal regulations governing cash advances. As a result of our efforts to comply with these federal regulations, MDE must make the following changes:

- Effective December 1, 2008, the Cash Advance Request feature will not be displayed on the CMS Funds Request Screen. The one time 30-Day Advance option will only be approved by the Office of Grants Coordination and School Support through the grant application process on a project basis. In other words, you will no longer be given an option to draw federal funds 30 days in advance unless it has been included in your grant application and approved at that time. If you have met this requirement, your grant project will allow you to see and request a one time 30-day cash advance.
- Effective December 1, 2008, MDE will no longer offer the 3-Day Cash Advance option through the CMS. Payments to districts and recipients will be on a reimbursement basis only.
- Effective December 1, 2008, MDE will begin recovering overpayments on federal grants immediately from current funds requests. In the past, MDE allowed for a three-week delay before overpayment funds were recovered. However, as a result of increased electronic efficiencies and on-line real time processing, it is no longer viable or necessary to allow three weeks to lapse before recovering overpayment of federal funds.

These changes were discussed at the February 2008 MSBO meeting and are a direct result of single audit comments and concerns.

If you experience any difficulties in requesting funds on the CMS or have any questions concerning this federally required change in policy, please email your questions to MDE-CMS@Michigan.gov.

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